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**Report of Special Committee
Appointed to investigate market outlets for
Alberta's hog and bacon & pork products in
British Columbia & the ...**

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Market Outlets in Alberta's
Hog and Bacon and Pork Products,
Special Committee

REPORT

OF

SPECIAL COMMITTEE

Appointed to investigate market outlets for Alberta's hog and bacon
and pork products in British Columbia and the Pacific
Coast States of the United States



Consumer preference is for the product of the leaner hog of bacon type

THE COMMITTEE

H. E. G. H. SCHOLEFIELD

Vice-President of United Farmers of Alberta, Chairman of Committee

S. G. CARLYLE

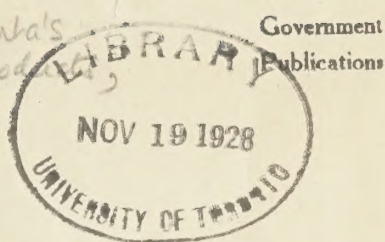
Live Stock Commissioner for the Province of Alberta

A. A. MACMILLAN

Chief, Sheep and Swine Division, Dominion Live Stock Branch, Ottawa, Ont.

Printed by authority of Hon. W. R. Motherwell, Federal Minister of Agriculture, Ottawa,
and Hon. Geo. Hoadley, Minister of Agriculture, Alberta.

[1928]




FOREWORD

Alberta on account of her geographical position, being the most westerly of the Prairie Provinces situated next to British Columbia and closer to the Pacific Coast States than any of the other Prairie Provinces, has a special market advantage in catering to the markets of British Columbia and of the Pacific coast. On account of her vast grain-producing potentialities and climatic conditions which are ideal for hog feeding, Alberta has already developed a large swine industry and gives evidence of still further development provided market outlets are secured and hog prices can be maintained, generally speaking, at levels which will permit of profitable hog production.

The provincial and federal Departments of Agriculture appreciating the value of Alberta's swine industry and the opportunities for development, and in view of exports of hogs to British Columbia and the Pacific coast, felt that steps should be taken to investigate these markets to ascertain what were the market requirements of these outlets and to learn if the bacon type hog suitable for catering to other Canadian markets and the British market would be most suited for expanding our trade with British Columbia and the States.

Both departments co-operated in naming a committee to make the investigation and prepare a report in regard thereto. This report is now available for general distribution to farmers in the province and should prove a further guide to producers in improving their type and in marketing at required weights with the most ideal degree of finish.

In submitting this report, the Departments of Agriculture wish to draw the attention of farmers to the modern economic principle relative to the establishment of market outlets, namely, that the producer must provide the quality and type of product that best meets consumer demand, otherwise his competitor wins out in securing consumer preference.



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REPORT

Submitted to Hon. Geo. Hoadley, Minister of Agriculture, Alberta; Hon. W. R. Motherwell, Federal Minister of Agriculture, Ottawa.

DEAR SIRs,—We beg to submit our report of the investigation of the type of hog best suited for the coast trade.

We visited the packing plants of Fry & Co., Seattle; Swift Canadian Co., New Westminster; Burns & Co., Vancouver; Pacific Meat Co., Vancouver; Carsten's Packing Co., Tacoma; Swift's Packing Co., Portland; Armour & Co., Spokane; and Carsten's Packing Co., Spokane.

In the packing houses in Vancouver, we found that practically all the hogs killed in the plants came from Alberta. The killings of the Swift Canadian Co., New Westminster, are about 95 per cent Alberta hogs.

The British Columbia coast trade is requiring more and more a bacon type hog. They have very little demand for lard and sometimes the price of lard is below the price paid for live hogs. They like our Alberta hogs, especially those from the Peace River country, as they come nearer the type required for their trade than those coming from other parts of Alberta. Peace River hogs, owing to the long haul, have a higher killing percentage. They complained seriously of the loss from bruising of hogs, and also stated that too many of them came in unfinished. We were informed the same conditions existed, generally speaking, in the Burns and in the Pacific Meat Co. plants.

It is the opinion of your committee that British Columbia, owing to the development of the mining and lumbering industries contingent with a steady expansion of the cities of Vancouver, Victoria, and New Westminster, will continue to absorb increasingly larger quantities of Alberta hogs. This is due to the fact that the province at the present time is not producing sufficient hogs, neither does there appear to be any sign that there will be any large increase in hog production in the immediate future, to keep pace with the consumption. We would further like to mention that the tourist trade in British Columbia is developing rapidly, thus tending to increase consumption during the summer months. Furthermore, these tourists, being of the well-to-do class, demand a high-quality product in bacon and pork products.

Your committee was informed that owing to the population of British Columbia being composed largely of people of British origin, who have been accustomed to quality bacon, they demand a similar quality in Canada. Furthermore, packing house salesmen advise that lumber and mining camps to-day are not content with low-quality bacon, which was formerly supplied from the packing houses, but are demanding the best. The manager of Swift's at New Westminster said that they have to force the bacon of the lard hog on the market by selling it at a lower price than their premium brand, thus indicating the importance of Alberta producers improving their production along bacon lines. On this account your committee feels that British Columbia will continue to be a natural market outlet for increasingly larger numbers of quality hogs. Light hogs are in great demand by the Chinese hog feeders in British Columbia. This feeder trade is of considerable significance to Alberta, particularly in years when farmers dispose of unfinished hogs, owing to light crops or unfavourable market conditions. The British Columbia feeders invariably select the longer hog with potential bacon qualities.

The Western Pacific Coast States' demand for Alberta hogs is very similar to that of British Columbia. We found that Fry's of Seattle buy a large number of our hogs at certain times of the year when the price is such that they can compete with the North Dakota and Nebraska hogs. They also have a preference for Peace River hogs and buy largely from the Edmonton Stock Yards. They are very pleased with our type of hog as it kills out well with a larger percentage of lean to fat than the American hog.

Carsten's from Tacoma are also buyers of Alberta hogs, but chiefly from the southern part of the province. The Dakotas, Nebraska, and Idaho states supply most of their hogs. About 10 per cent of their entire purchases at present come from Alberta. They claim the trade is changing to a leaner hog, but feel that they are not in a position yet to pay a premium for a select bacon hog. A well-finished hog weighing 180 to 200 pounds suits their trade, but the tendency in the grade for the future is to a longer and leaner type. This, however, they believe will come gradually.

Swift's of Portland draw their supply chiefly from South Dakota, Washington, and some from California, also considerable numbers locally from the states of Idaho and Oregon. Their manager told us that they had not had many Alberta but liked what they had handled, as their factory prefers the long bacon type hog. He also informed us that the American breeders in these states are improving the lard breeds and developing a much more lengthy animal to meet the demand for a pig dressing out with a lower percentage of lard. A good hog of bacon breeding weighing from 180 to 200 pounds suits their requirements, and they will probably stand more finish than the Seattle or Canadian plants.

Armour's and Carsten's at Spokane, who cater more or less to an inland trade, state that their requirements are very similar to those of Portland, Seattle, and Tacoma. They buy a considerable number from southern Alberta, and the type of these hogs suits them fairly well, although their trade is calling for a leaner hog. It was pointed out, however, that the demand for this type is developing more slowly than at Seattle and Vancouver. We found, however, that in all these plants the price and killing percentage was the controlling factor. When the hogs on the Canadian side are higher than on the American side they will buy in the United States. When freight differentials and tariff permit a rail cost on Alberta hogs equal to that of American hogs, west coast packers are inclined to favour purchasing from Alberta points, and on occasion have paid a slight premium where in their opinion quality justified it. A further improvement of Alberta hogs would no doubt stimulate greater interest in securing a larger volume of supplies for these packing houses on the Canadian side. Canadian producers, however, should always keep in mind that killing percentage is a big factor in determining the cost of carcass for processing. Proper finish with balance and smoothness of conformation are the determining factors in carcass yield.

In summing up the situation we wish to state that in our opinion Alberta producers will be making a serious mistake if they do not continue systematically to breed for improvement toward the bacon type hog. The growing demand for bacon and pork products on the western coast, both in Canada and the United States, is towards the product of the bacon type hog. West coast packers find that the purchasing of the type of hog which in processing yields a surplus of lard is less profitable, firstly, owing to the fact that the freight costs on such hogs are the same as for better quality, and, secondly, they are compelled to accept a lower price for their lard than eastern packers, owing to the extra freight costs in reaching the lard market outlets. Added to this there is a restricted market for lard owing to the competition from cheaper vegetable oils, and, as one packer stated, there has not been a lard market for over two

years. Another objection to the lard hog is the heavy shoulder. West coast packers state that they have a limited demand for shoulders, consequently they frequently have to buy hams and bellies and ship their surplus of shoulders eastward. The bacon hog, therefore, which produces a heavier ham, more break-fast bacon, more loin, with a lighter shoulder and a lighter jowl, is a superior hog for their trade. Your committee was impressed with display posters appearing in the principal markets and in the principal packing plants at the points visited, drawing attention to the fact that the three states of Washington, Oregon, and California import annually \$50,000,000 worth and upwards of live hogs and pork products. This fact should give Alberta producers some idea of the magnitude and importance of this outlet, and encouragement in their attempts to improve the quality of hogs in this province. If the improvement is continuous, there would seem to be a ready market at the points visited at all times, when the prices values between Canada and the United States are on a parity. The fact should also not be lost sight of that by raising an improved bacon hog, which enables us to compete more successfully in the United States, we are also in a position to supply the best brands for the British markets.

General complaints as registered by packers purchasing Alberta hogs:—

(a) *Bruising.*

All packers, both in British Columbia and in the United States, raised serious complaints about the very high percentage of bruises in shipments of Alberta hogs as compared with other hogs and suggested that this matter be given the most serious attention by both producers and handlers of hogs in Alberta.

(b) *Finish.*

A number of packers referred to a general lack of finish in a considerable number of shipments of hogs. They point out that in the bacon type hog finish is even more important than in the lard hog.

(c) *Shrinkage.*

One of the factors which is evidently responsible for the popularity of Alberta hogs both in British Columbia and in the United States is their dressing percentage as compared with other hogs. One packing plant registered a decided objection to the purchase of hogs on the fed-and-watered plan as now in effect at the Edmonton Stock Yards.

All of which is respectfully submitted.

H. E. G. H. SCHOLEFIELD, *Chairman.*
S. G. CARLYLE.
A. A. MACMILLAN.

EDMONTON, July 21, 1928.

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Canada, Joint Beef

Government
Publications



CANADA

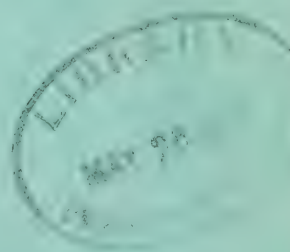
JOINT BEEF COMMITTEE

REPORT OF THE PROCEEDINGS AND
THE RECOMMENDATIONS

OF THE

EASTERN AND WESTERN COMMITTEES

appointed to investigate the possibility of establishing definite standards for beef as the basis for a "National Beef Policy", designed to encourage the production of market animals suitable to meet the requirements of Canadian and foreign markets.



OTTAWA
F. A. ACLAND
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1923



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OTTAWA
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PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1928

Report of the Proceedings of the Eastern and Western Committees

*Compiled and Edited by the Secretary of the Committees, L. C. McOuat, Live
Stock Branch, Ottawa, January, 1928*

THE JOINT BEEF COMMITTEE

R. S. HAMER, Chief of Cattle Division, Live Stock Branch, Ottawa (Chairman).

Western Committee

J. H. EVANS, Deputy Minister of Agriculture, Winnipeg, Man.

R. A. WRIGHT, Drinkwater, Sask., President Western Canada Live Stock Union.

F. M. BAKER, Winnipeg, Man., Industrial and Development Council of Canadian Meat Packers.

Eastern Committee

R. W. WADE, Live Stock Commissioner for Ontario, Toronto, Ont.

WALTER SCOTT, Sutton, Ont., President Eastern Canada Live Stock Union.

S. E. TODD, Toronto, Ont., Industrial and Development Council of Canadian Meat Packers.

L. E. O'NEILL, Ontario Live Stock Branch, Toronto, Ont.

L. C. McOUAT, Dominion Live Stock Branch, Ottawa, (Secretary).

TERMS OF REFERENCE

"To canvass the possibility of establishing definite and commercial standards of beef and veal, that these standards be interpreted in terms of live cattle as determining the direction of production policy, that an enquiry be made as to the practicability of a standard product being sold as such by the wholesale trade and in the retail butcher shops with the object of submitting a joint report to a national conference of all interests connected with the beef industry, which conference, the Minister of Agriculture for the Dominion has been asked to call."

A Report of the Investigations of the Eastern and Western Beef Committees on the Establishment of Definite Standards for Beef, as the Basis for a National Beef Policy

I. INTRODUCTION

Reference—Early Conferences

1. In November, and again in December, 1926, Mr. Arkell, the Dominion Live Stock Commissioner, called small conferences in Ottawa of representatives from the Eastern Canada Live Stock Union, Western Canada Live Stock Union, Ontario Live Stock Improvement Association, and the Industrial and Development Council of Canadian Meat Packers. These conferences were called for the purpose of discussing the problem of a national cattle policy for the Dominion. In February, 1927, a similar conference was held in Regina at which the western beef cattle interests were well represented.

Western Canada Live Stock Union Convention, 1927

2. The Regina conference followed immediately after the Western Canada Live Stock Union Convention in Winnipeg. At this convention the major portion of the time was taken up with problems connected with the beef industry and before adjournment, the convention adopted the report of a special meat committee consisting of Prof. J. P. Sackville, Chairman, J. E. Crawford, J. C. Donaldson, J. G. Robertson, John Wilson and P. French. This report was as follows:—

“The members of the Western Canada Live Stock Union fully appreciate that the meat industry in Canada is an extremely important one, that it is very closely linked up with the development of agriculture and that it is, therefore, desirable that every effort should be made by everyone interested to promote its growth and expansion. It is true, that as far as certain phases of this great industry is concerned Canada has every reason to believe that satisfactory progress has been made. For some years now we have occupied an important place in the world's markets for certain live stock and live stock products. Attention need only be directed to the improvement that has taken place during the last few years in connection with dairy and poultry products. It is an indication of what can be accomplished by clear-cut policies, energetic support and well-ordered administration. While we appreciate what has been done in connection with such products mentioned, it must be admitted that conditions surrounding the beef industry have not been too favourable for the expansion of this important phase of our live stock interest. It is considered by those who are in close touch with the situation as it prevails that possibly one of the biggest factors in retarding this industry has been the lack of a satisfactory and profitable outlet for our surplus. It is well known that the outlet for Canadian beef has been through three channels, namely: (1) American market, which, due to tariff adjustments from time to time, has lacked the continuity necessary for a well-ordered trade; (2) Great Britain, which on account of its geographical position in relation to our country means that heavy transportations will always prove a handicap to a satisfactory trade in that particular country.

"Then there is the third, and one that has been mentioned before at this convention—the domestic market—and one which we all recognize is the most important of all provided it is possible of expansion. Keeping in mind the fact that there are certain limitations that have been mentioned in connection with the other two, and further that our meat consumption at present is considerably lower than other countries more or less similarly situated, there is prospect that this market might be enlarged.

"Just to indicate the importance of stimulating greater home consumption of beef, it might be pointed out that if it were possible, by correcting the misconception in regard to the place of beef in the diet, held by too many, to increase the per capita consumption of this commodity by one-half or 112 pounds instead of 75 pounds, which, by the way, should not be so very difficult, it would mean an outlet for 320,000,000 more pounds, which would be nearly twice our 1925 exports. In case we had a market—and that a home market—for 160,000 tons of beef last year, what would it have meant to the industry?

"There is, in the opinion of your committee, another phase of the beef industry that is worthy of considerable attention, and that is lack of a uniform and continuous supply of good commercial beef cattle being offered. Too many of such cattle lack the breeding that is necessary for a good type of market animal, and coupled with this there is a lack of finish that is so essential to good quality beef. There is little question that considerable improvement must take place in this connection before we can reasonably expect a marked increase in either the domestic consumption of beef or a substantial development in our export trade, both of which would naturally be reflected in a better price. In the light of what has taken place within the past twenty years in the improvement and standardization of Canada's type of hog and to a less degree with lambs, it suggests that there is a field for similar work with our beef steer. Such questions as most desirable weight, proper degree of finish, what is involved in quality of beef, together with economy of production, offer themselves for solution.

"Obviously, the whole question of the developing of our best beef cattle business is so widespread and the various phases of it so closely linked up one with the other it would appear that anything that might be undertaken in the way of improving this industry should be of a national character and include all those interests which are in any way connected with the industry.

"It would appear that there is a real and immediate need for some work along the line suggested, as well as others that will suggest themselves to you.

"With this in mind, we recommend that a conference be called by the federal Department of Agriculture for the purpose of considering ways and means of placing the meat industry of Canada on a better basis and that, in calling such a conference, all representative interests should be included. In this connection, we beg to further recommend that the conference consist of one or more representatives of the federal Department of Agriculture, the provincial Departments of Agriculture, the Eastern and Western Live Stock Unions, Live Stock Boards, Dominion Live Stock Exchange, Industrial and Development Council of Canadian Meat Packers, Meat Section of the Canadian Retail Merchants' Association, Canadian Beef Breed Associations, Canadian Sheep Breeders' Association, Canadian Swine Breeders' Association, Stock Growers' Association, Railway Companies, Western and Eastern Societies of Animal Production, National Research Council of Canada, and any others that the federal authorities see fit to call in.

"Moved by J. P. Sackville, seconded by John Wilson, that the above report be adopted.—Carried."

The Regina Meeting

3. The meeting of beef cattle interests in Regina, already referred to, gave further consideration to the problems of the beef industry and concluded by adopting the following three resolutions which provide the specific basis for this report.

"Resolution No. 1: Moved by J. H. Evans, Deputy Minister of Agriculture for Manitoba, seconded by R. A. Wright, President, Western Canada Live Stock Union,—

"That whereas it is generally agreed that too little attention is given to the preparation of meats known as the cheaper cuts, due to changed conditions of living and often a wrong impression with respect to the actual food value of such cuts;

"Therefore be it resolved that this meeting go on record as approving of steps being taken to bring together at convenient points representatives of women's organizations and others interested in consumption of meat with the purpose of arriving at a better understanding in this connection, and, as a result, a better utilization of the whole carcass.

"Resolution No. 2: Moved by H. A. Craig, Deputy Minister of Agriculture for Alberta, seconded by J. H. Evans, Deputy Minister of Agriculture for Manitoba,—

"Whereas the convention of the Western Live Stock Union recently held in the city of Winnipeg adopted a report which suggested the advisability of action being taken looking toward the improvement of the cattle industry in Canada;

"Whereas the beef industry in Canada is suffering from lack of a definite policy, designed to encourage the production of market animals suitable to meet the requirements of domestic and export trade;

"And whereas a national policy with respect to bacon hogs inaugurated in 1921 has been largely responsible for placing hog raising in Canada on a sound basis;

"And whereas, it is essential that a comprehensive national policy be undertaken embracing production, wholesale and retail marketing and consumption of beef, in the evolution of which policy it is desirable that persons representative of all interests be consulted, And further that a vital part of such national policy should be a vigorous educational campaign.

"Therefore be it resolved that this gathering recommend to the Minister of Agriculture for Canada that a national conference be held at a suitable date and place during the present year.

"Resolution No. 3: Moved by H. S. Arkell, Dominion Live Stock Commissioner, seconded by Olaf Olafsen, Vice-President, Saskatchewan Live Stock Pool, Mortlach, Sask.,—

"Be it resolved that without making any comment as to any policy of compulsory or optional grading, immediate steps be taken to canvass the possibility of establishing definite and commercial standards of beef and veal, that these standards be interpreted in terms of live cattle as determining the direction of production policy, that an enquiry be made as to the practicability of standard product being sold as such by the wholesale trade and in the retail butcher shops and that an Eastern and Western Committee of three each be appointed to carry out the intention of this resolution with the object of submitting a joint concrete report to the general conference already asked for."

The representation on the Western Committee together with the joint chairman and secretary were also appointed at this meeting, and the hope was expressed that an Eastern Committee already appointed at the Ottawa conferences would act jointly with the Western Committee in accordance with the above resolutions. Thus the committees as named in this report came into being.

Procedure

4. To facilitate inquiries in accordance with our terms of reference each committee together with the joint chairman and secretary worked separately in their respective fields. In submitting this report an endeavour has been made to synopsise the evidence which was taken from producers, packers, retailers, government officials and consumers in both Eastern and Western Canada. In addition to this the Joint Committee investigated the beef grading experiment as being carried on in the United States and obtained the viewpoint of the Government, the packer and the live stock producer thereon. Finally the Joint Committee after several conferences, having in mind not only the evidence as collected by the Eastern and Western Committees, but also the special experience of certain men closely associated with the beef industry, reached a unanimous agreement, which is presented in a separate report.

Scope of Investigation

5. Although under its terms of reference it was asked to investigate the possibility of establishing definite standards for beef and veal the committee confined its inquiries to beef. This restriction in the scope of the work was considered wise inasmuch as the underlying principle of standard grades is the same in the case of both beef and veal. Beef, however, is the main industry from every standpoint and is at the same time the most complicated from the standpoint of lending itself to the application of standard grades. Inasmuch as it was quite clear that a solution was being sought for the ills in the beef trade, it was felt that it was the path of wisdom to avoid confusing the issue with what may or may not be necessary in connection with the veal end of the business. This report, therefore, is restricted to the subject of beef. At the same time the committee in its investigations chose the broadest interpretation of its terms of reference, and in addition to dealing with the specific question of standards and their application, they sought for the reasons which underlie the unsatisfactory state of our beef industry, in the hope that certain principles of action would emerge, on which the development of a National Beef Policy could be built.

This report seeks to review the field of work covered by the committees in their investigations and begins with a consideration of the nature, extent and trend of beef production in Canada, and reviews the supplies for our domestic market. It then presents the general argument advanced in favour of the establishment of definite grades of branded beef and reviews the various viewpoints thereon, as obtained from producers, retailers, consumers and packers. In this section is included a reference to the United States experiment in beef grading. Finally the conclusions and recommendations of the Joint Committee, based on the proceedings as summarized herein, are presented in a separate report.

II. BEEF PRODUCTION IN CANADA¹

Foundation of Beef Cattle Industry

6. Up to the closing years of the nineteenth century, cattle of beef breeding predominated in Canada. Western Canada was chiefly a ranching country and large herds of high class beef cattle roamed the open range, contributing a heavy percentage of the cattle annually exported during that period. In Ontario, the dual-purpose cow of Shorthorn breeding was the standard farmer's cow and either winter feeding or grass finishing of steers was a regular business in most of the counties west of Kingston. Even in Quebec beef-making was an

¹ R. S. Hamer—An outline of the Development and Present Status of the Beef Cattle Industry in Canada.

important industry and the Montreal market was at that time almost entirely supplied from the beef-bred herds in the English speaking portion of the province.

7. During this period, the pure-bred business more than kept pace with the needs of the commercial herds for improvement purposes. Progressive breeders imported some of the best Shorthorn blood of England as far back as 1830 and played an important part in the '60's and '70's in advancing the rival claims of Bates and Booth breeding. It is worth recalling in this connection that during the Bates boom, representatives of some of the cherished strains of that blood were sold from a noted herd in Quebec to be returned to England at prices which even to-day would excite comment. Canadian importers must also be given a large share of the credit for the popularizing on the American continent of Shorthorns of Scotch pedigree and type. The Sittydon, Uppermill, Kinellas, Athelstane, and other noted Scottish herds were drawn on in increasing volume by Canadian importers during succeeding years until in the early '80's practically the entire annual bull crop of the Cruickshanks herd was contracted in advance for the Canadian trade. United States breeders found in Canada a convenient source of supply for this blocky, thick fleshed, early maturing type of Shorthorn and the foundation of many of the outstanding American herds of to-day rests on Canadian importations or on Canadian breeding. Much of this blood was, however, also disseminated throughout Canada, both east and west, and many noted pure-bred herds were established from which in turn were derived the herd-headers for numerous smaller pure-bred herds consisting largely of so-called plain pedigree cattle. The growing ranching industry provided a steady outlet for commercial bulls from the latter herds and the quality of the western cattle of that period may properly be attributed in a large measure to the extensive use by ranchers of this Scotch-topped Shorthorn blood in conjunction with a judicious admixture of the blood of some of the other beef breeds, notably the Hereford, which has always been a popular breed under range conditions. The Scotch type of Shorthorn also appealed very strongly to beef-raisers in Ontario in view of their proven ability to get growthy, compact, easy-feeding steers. With a triple and expanding outlet for commercial bulls—in Western Canada, in the range areas of the United States and in Ontario—with a strong demand for females with straight Scotch pedigrees both at home and in the United States, and having to meet in all three markets the increasing competition of the essentially beef breeds, the Hereford and the Aberdeen Angus, it is not surprising that Shorthorn breeders throughout Canada came to lay more and more emphasis on beef characteristics in the development of their herds. Heavy milk production being a disadvantage rather than otherwise under range conditions, Shorthorn breeders catering to this trade had no incentive to lay any stress on the milking ability of their females, and as these pure-bred herds were also supplying most of the bulls used on the grade Shorthorn herds in the farming districts of Ontario, this system of breeding followed in the latter part of the century may properly be regarded as having paved the way for the gradual encroachment of sires of the dairy breeds in later years.

Transition Period

8. The first ten years of the twentieth century marked a rapid transition in the cattle business of the Dominion. During this period, most of the free range in Western Canada was homesteaded, forcing the liquidation of many of the large herds of range-bred cattle, numbering in some instances as high as 20,000 head. At the same time, in Eastern Canada, dairying, which in the difficult financial times of the '90's had already obtained a strong foothold, continued to increase in popular favour, and in the effort to materially increase milk production, sires of the straight dairy breeds, Holstein, Ayrshire and Jersey, were

used in increasing numbers. During a period of some twenty years commencing in the early '90's the characteristics of the commercial cattle throughout the greater part of Eastern Canada were thus materially altered, the original grade Shorthorn foundation becoming more or less thoroughly disguised by the three or four crosses of dairy blood superimposed upon it. In time, only some nine or ten counties of Ontario and a few isolated districts in Quebec remained as strongholds of the beef breeds in the eastern part of the Dominion.

9. Under the changing conditions noted, Canada's cattle population increased very slowly. In 1901, census figures credited the Dominion with 5,576,000 head of cattle. When the next official census was taken in 1911, the cattle population totalled 6,533,000 head. This represented an increase of 17.2 per cent in ten years. In the same period the human population increased by 34.1 per cent. To state the comparison in another form, the number of cattle per capita was 1.03 in 1901 and only 0.9 in 1911. Taking into consideration the fact that a diminishing percentage of the cattle annually marketed were of beef breeding and that it would have required an additional 900,000 head of cattle to make the ratio for total population in 1911 equivalent to that of 1901, it will be readily understood why Canada practically ceased to be an exporter of cattle in the latter part of the decade referred to.

Period of Expansion

10. Early in the next decade, the tide turned again and the succeeding ten years, 1910 to 1920, marked the most rapid expansion in the history of the Canadian cattle industry. The domestic market, while still discouraging at times, particularly in the fall of 1912, was already on a considerably higher level than a few years previous and increased interest in beef production began to be apparent. This was the case particularly in Western Canada, where the aggregate of the small holdings of farmers and of new settlers soon exceeded the number originally carried under free-range conditions. The removal of the American tariff in 1913 provided a timely outlet for the impending surplus of western stocker and feeder cattle and also resulted in an immediate strengthening in value for fat cattle. The outbreak of the war provided the real stimulus for increased production, however, and during the next few years steadily advancing prices encouraged expansion to the point where the cattle population of the country totalled over 10,000,000 head, an increase of 50 per cent over the population of 1911. Western Canada provided the greater part of this increase. While the free-range, as already noted, had been practically eliminated, extensive areas were and are yet held under lease, and in the transition period some of the old-time ranchers had purchased outright considerable holdings of grass land. Under the stimulus of war prices, these ranches were stocked to the maximum of their capacity. In addition, small herds were built up in a wholesale way by farmers and grain growers who had previously given scant attention to cattle. As a result, a steadily increasing supply of stocker and feeder cattle was annually poured into the western Canadian markets. These hardy cattle made rapid and profitable gains in American feed lots, and the United States having again become an exporter of beef, American markets readily absorbed any surplus of unfinished Canadian cattle. This trade reached its peak in 1919, when over half a million cattle went south from Canadian markets.

Policies Have Effect

11. At the same time, the advantage in finishing as many as possible of these cattle at home was not lost sight of, and with the assistance of policies put into effect by the federal Government thousands of store cattle were returned from stockyards to Canadian farms and feed-lots for finishing purposes. Similarly useful young females were returned to districts which were short of breeding stock. As an illustration of the turn which was given to the trade in this respect, it may be mentioned that in 1917 four times as many

cattle were returned to country points for finishing purposes as were returned in 1915, and that despite a 50 per cent increase in stocker and feeder receipts only half as many cattle went south from Winnipeg in 1917 as in the year 1915. Ontario was also at times able to absorb heavy supplies of Western cattle for feeding purposes, as beef-making was resumed in districts where cattle had not been fed for years.

Deflation

12. From the foregoing outline of the unprecedented expansion of the cattle industry of the Dominion during the decade commencing in 1910, it will perhaps be clear that the business was ill-prepared to stand the drastic deflation process which commenced in 1920. The country was heavily stocked with commercial cattle and in Western Canada these cattle had run up heavy expense bills during the dry seasons of 1918 and 1919 and the unusually long and severe winter of 1919-20. United States tariff changes in 1921 and 1922 added to the difficulty in liquidating grass finished cattle from the range and store cattle from the farms of the Prairie Provinces. It stands to the credit of Canadian cattlemen that comparatively few were forced out of business during this period of acute depression and while many are still struggling under a load of heavy indebtedness, the greater part of the more valuable breeding stock, both grade and pure-bred was retained and will prove a valuable asset in the future development of the cattle business of the country.

Reconstruction

13. The period since 1920 has been one of reconstruction of the cattle industry. In the absence of a profitable outlet for light-weight stocker cattle from the mixed-farming and grain growing districts of Western Canada, considerable curtailment in breeding operations has occurred in these areas. The profitable trade in unfinished cattle which had been enjoyed during the years of high prices had, however, intensified the practice of heavy fall marketing. With over 70 per cent of the cattle annually sold still coming on the market during the last four months of the year, all classes suffered in price and it became plainly apparent that in order to distribute marketings more equally throughout the year and to make a larger percentage eligible for top prices, winter feeding would have to be more widely practised. It was equally clear that any policy designed to promote winter feeding would necessarily have to be based on the principle that a low initial cost of feeder cattle is an essential factor in making the business a profitable one.

14. As has been pointed out, winter feeding of cattle has been continuously carried on in several counties in Ontario over a long period of years. Under present day conditions as regards land values and general overhead expenses, however, feeder cattle cannot be raised at low cost in all of the Ontario districts in which they can with advantage be fed. Similarly, in the grain growing areas of Western Canada, an immense quantity of feed is available annually which is practically valueless unless fed to cattle. While feeder cattle can still be raised with profit in the mixed-farming districts of the West, this is not the case in the immense tracts of country devoted primarily to grain growing and as in Ontario, winter feeding of cattle on an increased scale can be developed only by providing a steady and adequate supply of well bred cattle which have been produced at a minimum cost.

15. Clearly, the range areas of the Dominion are the logical breeding ground for the production of feeder cattle under low overhead cost. It is in the range herds that the good blood annually distributed from the pure-bred herds of the country, has been most consistently utilized and Canadian range herds of to-day have had the advantage of the best blood which has been

available to the rancher in the past fifty years. In the past few years an honest endeavour has been made to work out a policy which will result in safeguarding, extending and moulding the existing ranching industry so as to make it a permanent and dependable source of supply for high-grade young feeder cattle to be finished in grain growing areas in Western Canada and in feeding districts in Ontario.

16. This policy was materially assisted by the removal of the British embargo on Canadian cattle in 1923 which was followed by a gradual improvement in cattle values. Improvement continued, until in 1925 the generally favourable feed and market conditions were such as to inspire a new burst of confidence in our beef cattle industry. This confidence was not, however, destined to be long-lived, as in 1926 the British market collapsed. As a result our exports of cattle to Great Britain fell off month by month and with the exception of the latter part of May and most of the month of June, we experienced a gradually declining market throughout the year for this class of cattle. At the same time, unfortunately, the market in the United States offered no satisfactory outlet for cattle of this kind. Instead of a further expansion in the business of winter feeding, the fall of 1926 witnessed a very general disinclination to assume the risk of putting cattle on feed, especially in Western Canada. The number of cattle returned to country points from the stockyards in all Canada in 1926 was below that of any year since the war with the exception of 1921.

Domestic Supplies

17. Most of the grief experienced by cattle feeders following the winter of 1926, was with heavy steers fed with the British market primarily in view as the prices received for light weight steers and heifers during 1926 exceeded those for 1925 month by month at all markets for almost every month in the year. It is generally admitted that the strength of our domestic market during 1926 was responsible for maintaining prices at reasonable levels in the face of the absolute collapse of the British market. It was this fact which brought the producer to a consideration of the possibilities of his home-market, and the opportunity for the development of an improved domestic outlet for good beef.

18. During the year 1927 beef cattle prices have been on a much higher level, due to the shortage of cattle in the United States. Our surplus has consequently been moving southwards and Canadian cattlemen have welcomed the temporary relief.

19. In the light of the foregoing review of the ups and downs in our cattle market it remains evident that an export trade is necessary to the stabilization of price levels, particularly for our best cattle. At the same time our domestic market which absorbs 85 per cent of our total annual production plays by far the most important role in absorbing our annual supplies of beef. Unfortunately, this fact does not seem to be widely appreciated and it would almost appear that this market is generally regarded as a gigantic clearing house for everything in the shape of near-beef for which there is no sale anywhere else.

20. Our markets are flooded annually with large supplies of poor cattle that lack both the breeding and the finish necessary to make good beef. These quantities of poor beef glut the market at the expense of good beef and it is obvious that when placed in consumption they can have no other effect than to discourage demand for beef of all kinds. A study of our markets reveals the fact that these poorer qualities of cattle often sell for relatively more money than good cattle. This discourages production of good beef.

21. Everyone interested in improving the beef producing industry in Canada recognizes the problem which is involved in securing a general improvement

in the quality and finish of our cattle supply. Producers claim that if they are paid sufficiently for quality production, they will soon produce a supply of good quality. It has been suggested that before this can be done the consumers must be educated to a more intelligent appreciation of good beef, and they must have some assurance in regard to the quality of meat which they purchase, otherwise the competition from the quantities of low grade beef which flood the market will continue to make it very difficult to secure a satisfactory price for beef of good quality. This implies the need for some system of grading and branding beef carcasses according to quality. This idea has been suggested as a means of making the domestic market function to greater advantage in the interests of better production.

III. SHOULD BEEF BE GRADED ?

General Argument in Favour—Competitive Production

22. That our trade channels are annually clogged with such a tremendous volume of inferior beef is undoubtedly due in a large measure to the growth of the dairy industry. The discards of the dairy herds of the country loom large in the stock yards in Eastern Canada and are bound to assume increasing proportions on our Western yards from year to year. While the competition from this class of cattle is not as yet seriously felt by the producer of beef stock in the West, it must be borne in mind that the flooding of eastern markets with second-rate and, frequently, unpalatable beef has a very important, if indirect, effect on prices for all classes of cattle in Western Canada. If an outlet for this immense amount of material has to be found chiefly in the Canadian market, it is of the utmost importance that its effect in curtailing the demand for real beef should be reduced to the minimum. It must be recognized at the same time that the dairy cow is by no means solely to blame for the flood of low grade beef on our markets. This is particularly true in Western Canada. Anyone who has been privileged to visit with sufficient frequency one or more stockyards in the West must have been impressed by the presence in such large number of so-called beef cattle of nondescript breeding and no feeding. The volume of this undesirable element in our cattle population indicates a production problem which has not yet been solved.

Good Cattle Sell for Relatively Less

23. Reference has already been made to the fact that the producer of good cattle feels that he is not paid as much for his production relatively, as is the producer of cattle of poor beef conformation, and minimum finish. This is discouraging the continued improvement in beef production and is resulting in a decreased effort on the part of producers generally, to breed and finish cattle of legitimate beef quality.

Average Consumer Poor Judge of Quality

24. Amongst those who are familiar with the marketing of beef, it is generally admitted that if the consumer had a better idea of quality and values in beef it would be in the interests of the business as a whole. Many plans of educating the consumers have been tried—meat demonstrations, coloured charts, short courses, special advertising, etc., but with comparatively little success. The reason for this is, the nature of the product in question. Many individuals who possess more than a working knowledge of beef have difficulty in satisfying themselves in regard to quality in beef when purchasing cuts over the retail counter. It is argued, therefore, that the average consumer has very little chance in becoming sufficiently proficient in identifying quality, to be sure of the actual quality of beef he or she purchases.

Basis for Recognition of Quality

25. This has led to the suggestion that beef should be graded and branded in such a manner that even after the carcass has been cut up in the retail store the consumer will be able to identify the quality of the beef by the brand. Live stock producers want all that their animals are worth on the market and in line with economic conditions and are satisfied with nothing else. It is claimed, and on very strong grounds, that a system of grading and branding beef in accordance with its quality will help the producer to attain this objective, inasmuch as the consumer will be provided with a measure of assurance regarding the quality of his or her purchases. Furthermore if the consumer is satisfied with the quality of his purchases it is quite conceivable that he would spend more money for beef, which would be in the interests of the industry.

Domestic Market Should Encourage Producer of Good Cattle

26. Our domestic market which consumes approximately 85 per cent of our production is by far the biggest and consequently should be the most important market we have. It has the advantage of being right at our door. If consumers are dissatisfied with the general quality of the beef they purchase then this domestic market is not taking all the beef it should or could take providing quality was such as to encourage consumer demands. Those who appreciate the importance of this market feel that it would be improved considerably by providing the necessary means for consumers to identify quality in beef.

THE PRODUCERS VIEWPOINT

Producers Meetings

27. The committee held meetings with representatives of the producers at Brantford, Ailsa Craig, London, Kitchener, Galt and Guelph in Ontario and at Winnipeg, Moose Jaw, Calgary, Edmonton, Saskatoon, Regina, and Brandon in Western Canada.

General Endorsation of Principle of Grading

28. At all meetings without any exceptions the producers representatives went on record as favouring the principle of grading and branding beef carcasses. In most instances they favoured limiting such a policy to the better grades of beef, with the idea of having the consumer's preference function in providing a wider differential in favour of the better grades of dressed beef. They believe that this differential would be reflected in the market for live cattle.

Pure-Bred Interests Endorse Grading

29. At one point in Ontario many of the producers present were interested in the pure-bred end of the business and they had been following in the columns of the *Breeders Gazette* in the past year or two the development of the beef grading experiment in the United States. The idea was, therefore, not a new one to them and several expressed themselves as being strongly of the opinion that the application of a similar principle in relation to our Canadian beef market offered the most likely solution of some of our existing problems. At this meeting the producers passed the following resolution: "That this meeting endorse the principle of grading and stamping of beef at the point of slaughter and urge upon the committee the importance of making every effort to work out a practicable system embodying this principle which might be made applicable to the domestic beef trade in Canada."²

² Minutes E.B.C.26.

Feeder Cattle of Indifferent Quality Prove Most Profitable

30. One of the outstanding features of the discussions which the committee had with producers representatives in Eastern Canada was that they are inclined to feel that the greatest profit in recent years has resulted from the feeding of the lighter, cheaper grades of stock, and that there has not been sufficient spread between this class and the well finished, high quality steer and heifer to warrant the more expensive process of production involved with the latter.³

Scarcity of Feeders in East

31. It was also quite apparent that in the cattle feeding sections of Eastern Canada it was becoming more and more difficult to secure a satisfactory supply of stocker and feeder cattle. The men engaged in this business attributed this difficulty to the spread of the dairy industry and to the rather mixed up breeding of stock which seemed to accompany this period of transition from beef to dairying.⁴

The Trend to Light Weight Cattle

32. There is a rather general recognition amongst cattle feeders of the trend in consumer demand towards lighter weights in beef carcasses and there seemed to be a rather general adjustment in practice to meet this demand.⁵ At the same time the opinion was very generally held that it would be a mistake to advocate a production policy of finishing all cattle under twenty-four months of age as it was felt that it would be safer to endeavour to enlarge the market for good beef of all classes and to leave it to the producer to develop his business along the lines best suited to his conditions.⁶

West Discuss Grades

33. At the meetings held with producers representatives in Western Canada, there was considerably more discussion concerning the number of grades and just what should go into each. The principle of grading was accepted by all as being highly desirable, but there was some difference of opinions as to just how it should be worked out. The majority of opinion was in favour of a simple classification which would not be too extensive at the outset. Some however were of the opinion that more would be accomplished by marking the inferior grades as well, than if the policy restricted marking to the top grades of which there was such a small volume of supply.⁷

The Place of the Good Range Cow in Grading Policy

34. Much of the argument and discussion concerning grades of beef, amongst the producers in Western Canada, hinges on the question of cow beef. The ranching fraternity have in mind their good four- and five-year-old cows and the great majority of opinion seemed to be that if these were branded as cow beef, even "choice" or "good" they would be unduly discredited to the consumer.⁸

Producers Ideas on Grades

35. The various ideas received from producers representatives in regard to a classification and grading for beef carcasses can be summarized as follows: (1) It was generally agreed that the classification and grading should be as simple as possible. (2) The majority of opinion favoured the classification

³ Minutes E.B.C. 22.

⁴ Minutes E.B.C. 12.

⁵ Minutes E.B.C. 8.

⁶ Minutes E.B.C. 8, 13, 26.

⁷ Minutes W.B.C. 20; W.B.C. 43.

⁸ Minutes W.B.C. 18.

of steer, heifer and cow beef separately. (3) The majority were of the opinion that only two top grades of each class should be graded and marked. One group of producers seemed to favour the marking of three grades in the steer and heifer classes and two in the cow classes.⁹ As for example choice steer beef, good steer beef and medium steer beef with the same for heifers and limited to the choice and good grades in so far as cows were concerned. (4) The opinion was also expressed that the grading and branding should be limited to steer and heifer beef and that for the time being cows should not be included. In relation to this suggestion the possibility of drafting specifications for heifer beef so as to include top quality young cow beef was considered by the committee. (5) Another suggestion was that steer and heifer beef should not be classified separately, and that there should be two grades marked, choice and good, with a separate classification for baby beef and cows.¹⁰ (6) The opinion was also given that there should be no special classification or grade for baby beef.¹¹ (7) In some quarters it was felt that it would prove advantageous from an advertising standpoint to have a Maple Leaf Brand covering the two top grades and bearing thereon the specific grade designation.¹² (8) It was also suggested that in branding two distinctive colours should be used to distinguish between the two top grades.¹³ (9) The majority of opinion was in favour of having the grading done by the packers, with the branding under the supervision of the government. (10) Two producers representatives thought that it would be better to have the packer grade the beef and put it out under their own brands.¹⁴

Differences in Opinion Not Serious

36. The conflict of ideas suggested above is not as serious as it seems. As a matter of fact such a condition was to be expected in considering the details of a beef grading policy at meetings of producers representatives. At one of the meetings one of the producers suggested that "probably we were trying to draw too close distinctions and that we should remember that when the world was created the day was divided into daylight and dark, but we still had dawn and twilight." There is ample evidence to show that the producer is definitely for some policy of beef grading, and that although he has expressed certain ideas in regard to details he is ready to accept and support with a fair trial any plan that is finally agreed upon by the trade as being the most practical and in the best interests of the industry as a whole.

National Organization Needed

37. The opinion was expressed quite frequently in both Eastern and Western Canada that the industry was badly in need of some national organization which would look after the interests of meat commercially in the same way that the Dairy Council looks after dairy interests.

Live Stock Pools Favour Grading

38. Representatives of the Saskatchewan Live Stock Pool were of the opinion that the information provided the consumer in this way would immediately attract the attention of producers and provide him with encouragement to produce good cattle. In the statements which they sent out to their clients they found that it was of great value for a man to know what he got for his stock as compared with his neighbour, and they had found it necessary to educate their clients as to the differences in quality and value of different

⁹ Minutes W.B.C. 21.

¹⁰ Minutes W.B.C. 49.

¹¹ Minutes W.B.C. 51.

¹² Minutes W.B.C. 46.

¹³ Minutes W.B.C. 49.

¹⁴ Minutes W.B.C. 36 & 46.

grades of cattle. The establishment of uniform grades of dressed beef would relate itself to the grades of live cattle and in time producers would have a more definite idea in regard to the different standards of quality. These representatives also thought that to have a plan that was workable there should be 30 per cent of the butcher cattle whose product would come within one grade.¹⁵

U.L.G. Raise Point re Supply

39. Some of the officials of one of the largest co-operative livestock marketing organizations in the West in a discussion with some of the members of the committee stated that they could see no objection to a policy of beef grading and marking providing the details could be worked out. They said that they had not given the matter much thought, however, in their opinion, the broad demand to-day is for the cattle of lighter weights. They felt that the trend in beef production under present marketing conditions would continue to shift to the marketing of long yearlings and baby beeves, consequently difficulty might be experienced for some time in getting a fair percentage of these light weight cattle of a sufficiently good quality to brand, as a lot of them lack finish.¹⁶

THE RETAILER'S VIEWPOINT

Retail Trade Canvassed for Ideas

40. As has already been pointed out the movement to find ways and means of improving our domestic market for beef was started with the producers and the suggestion of a policy of grading and branding could probably be attributed to a similar movement under way in the United States. The committee therefore was particularly concerned in examining this proposal in the light of the experience of the retail trade. Consequently every opportunity was sought to obtain their criticisms of this proposal and also any other suggestions which they cared to make in regard to the improvement of our beef trade. With this end in view meetings were arranged through the Retail Merchants' Association with retailers in all the chief cities of the Prairie Provinces. In Eastern Canada invitations were issued to a representative list of retailers in each of six different points in Western Ontario and meetings arranged with the committee. In addition to this the members of the committee have availed themselves of every opportunity to visit retail meat shops in different cities and a fairly comprehensive survey of the retail meat trade in Western Canada has been conducted by members of the Department of Agriculture.

Retailers Favour a Grading System

41. There appears to be a very large volume of opinion amongst individual members of the retail trade in all parts of the country in favour of the adoption of standard grades of beef branded in accordance with their quality. In addition to this retail meat dealers' organizations in several provinces have passed resolutions favouring the establishment of a meat grading system which will correctly inform the buying public as to the quality of meat being sold by the retail trade.

Broad Demand for Light Weight Cattle

42. It is generally agreed amongst retailers that the broad consumer demand to-day is for the smaller cuts; for the average household trade the popular carcass weights run from 350 to 550 pounds. The average consumer does not like very fat beef. Excessive fat is regarded as so much waste and a relatively poor

¹⁵ Minutes W.B.C. 14.

¹⁶ Secretary's report B.I. 9.

cut which is not wasteful is preferred to the one which is wasteful in this respect. Some of the very large retailers placed special emphasis on this point, and stated that their belief in this connection was based on a study of customers' demands. On the other hand there are a few retailers catering to a special trade who find it possible to handle a heavier grade of beef. These men prefer to do this as they feel that with proper handling they stand a better chance of satisfying their customers in regard to quality.

Tenderness vs. Flavour

43. Practically all retailers state that to the average consumer tenderness is more important than flavour. It also has been generally agreed that age is one of the biggest factors in influencing tenderness and is responsible to some extent for the larger demand on the part of retailers for the younger light-weight cattle. These carcasses need not be aged as much as the heavier better-finished carcasses, consequently there is less loss to the retail trade in shrinkage and furthermore he has not as much money tied up in stock as he is moving his purchases more quickly. One of the large retail organizations in Western Canada believes that baby beef does not compare in quality with the well-finished product of older and heavier cattle, as it lacks in flavour. They also are of the opinion that flavour in beef can be developed as a distinct selling point.¹⁷ They appreciate at the same time that their beef must be properly aged and they make it a practice to hang baby beeves—one week, two year olds—two weeks, and three year olds—three weeks. The committee also received evidence from men of long experience in the trade that it was quite possible to pick out beef carcasses in the packers' coolers, whose eating qualities could be guaranteed.¹⁸

Price Factor

44. Retailers catering to the working class trade are almost unanimous in claiming that price is the most important consideration and that only relatively cheap beef will find sale in their shops. On the other hand, in some centres there is little sale for anything other than good beef and retailers in these places, as well as those catering to the better class of trade in other places, admit that price is a secondary consideration in their trade. Some go further and state that if all beef were choice and the price higher in consequence, total consumption would be as great as now or greater. A large retailing establishment handling about 130 carcasses a week operate two beef counters. Their trade calls for long yearlings dressing 400 to 500 pounds and well finished. They never get as many as they would like of this kind, and the price is a little too high to develop a broad consumer demand. Consequently, the largest percentage of their sales are of the plainer sorts.¹⁹ Undoubtedly price plays a very important part in the merchandising of meats and this factor has been capitalized to a very large extent by the retailer in advertising his goods. In this practice he is assisted by the fact that the buying public does not know much about beef.

Consumers Poor Judges of Quality

45. It is generally agreed that the majority of purchasers are unable to judge for themselves as to quality in beef and depend upon what the retailer tells them. The butcher has more of the low grade article to sell than he has of the high grade, and he proceeds to sell it. The absolute lack of knowledge on the part of a large percentage of the public as to quality and what the price for such quality should be is one of the big reasons why we have so much inferior beef sold at good prices. The effect of low price advertising was emphasized fairly generally by retailers and it is generally held that its tendency is to pull

¹⁷ Minutes W.B.C. 8.

¹⁸ Secretary's report B.I. 8.

¹⁹ Secretary's report B.I. 7.

down quality in meats. A lady sees prime steer T-bone steaks advertised at 15 cents per pound. She calls up her butcher and asks his price. When he says 28 cents or 30 cents a pound, she immediately raises an outcry. If the retailer gets too much of this, the tendency is for him to look for a cheaper product.²⁰ Another example which was given to show the need of definite identification of quality to the consumer was the case of consumers coming into a shop and asking to see a good roast of beef. When the butcher shows them one, they say: "How much is it?" When told that it is 30 cents or 35 cents a pound, they point to a piece on the counter and say: "How much is that?" "Twenty-five cents." "Well, I'll take it." The retailer giving this illustration was of the opinion that the average customer has been fooled so often that they now feel that they are likely to be disappointed in any case, and if so, it is better to be fooled at 25 cents per pound than at 35 cents. Thus we have the factor of price closely associated with the inability of the average consumer to judge quality in beef. One of the witnesses, a man of long experience in both the retail and wholesale end of the business, told the committee that the largest business in meat is done over the telephone, and that not 10 per cent of the people know good beef. In speaking of a certain city, he stated that there was not a single shop where you could go and buy No. 1 Steer beef. This he claimed seemed to be a natural condition which has always existed in the business and is rendered necessary through competition.

Knowledge of Cuts

46. Not only is the consumer ignorant regarding quality in beef, but very few know about the different cuts, their relative value, and proper methods of preparation to ensure tenderness and palatability. It is contended by the trade that the general lack of knowledge regarding the value of cheaper cuts from a good carcass and how best to prepare them for the table reduces the premium which good cattle should bring on the market. In a survey conducted by the Bureau of Agricultural Economics, Washington, housewives were asked to name the kinds of beef steaks and beef roasts they could recognize when cut. Three kinds of steaks and 2.3 cuts of roasts were named on the average by housewives of the American white group as the entire number of cuts which they could recognize. The small numbers of these cuts recognized did not denote familiarity with the number of steaks and roasts made available by the cutting up of a beef carcass. From the information which is available, there is every reason to believe that a similar condition exists amongst Canadian consumers.

Misrepresentation in Advertising

47. Retailers generally spoke in quite a condemning manner of the method of advertising in use by some retail butchers and expressed themselves as being of the opinion that no retailer should advertise in the papers, on his windows or in any manner whatsoever unless he states the correct grade of the product he is selling as well as the price per pound. Every city has its quota of dealers who practice misrepresentation. In all their contacts with the public especially in advertising, they stress exceptionally high-quality meats handled, yet limit their purchases to meats of the most inferior quality. The fact that customers generally are uninformed regarding meats and meat cuts makes this deception possible. Because of the dissatisfaction which results this practice may tend gradually to decrease the demand for meats. Local retail merchants' associations have found no effective means of combating this undesirable element in the retail meat trade which is now known to be one of the undermining factors in the advancement of a large and necessary industry. Some of the terms used to

²⁰ Minutes W.B.C. 30.

represent meats of highest quality, and which always occupy prominent places in all their advertisements are "Finest Meats Market Affords," "Meats of Highest Quality," "Prime Steer Beef," "Choice T. Bone Steaks," "Choice Rounds Steaks," "Choice Baby Beef," etc. Coupled with these terms are very low prices. In some cases the prices quoted for preferred cuts are lower than the cost of live animals of grades comparable with the terms used. These practices no doubt exert a retarding effect upon the industry as from a competitive standpoint, they influence to some extent the activities of other retailers who under normal trading conditions would prefer to deal honestly with the trade. It would seem that the above condition is largely in the minds of the retailers favouring the grading and branding of beef, as they believe such a policy would afford the legitimate dealer a measure of protection from the deceptive methods employed by a certain percentage of his competitors.

Retailers Ideas on Grades

48. The retailers like the producers do not all agree on the details of grades and classification. It was generally agreed that it would be better not to have too many grades, which would tend to confuse the public. The majority favoured the classification of beef into steers, heifers and cows with three grades of each. Some thought it might be better to start out with only two grades, however a great many of the retailers felt that it was more important to identify and brand the lower qualities than the top grades. In some places the opinion was expressed that a minimum standard should be set below which no meat would reach the retail counter. Cannery and cutters would come in this and should not be retailed as dressed beef.²¹ Another suggestion coming from a fairly large eastern city opposed the grading and marking of only two top grades but favoured a system by which the great bulk of the beef would be graded and stamped.²² The grades suggested were:—

1. *Fancy*.—This grade would include baby beef of choice conformation and finish.
2. *Grade 1*.—This would include choice steers or heifers of both light and heavy weights carrying top finish.
3. *Grade 2*.—This would include good steers and heifers of all weights lacking top finish.
4. *Grade 3*.—This would include steers and heifers not finished, also cows, bulls, wet heifers, etc.
5. *Cow Beef*.—This grade would include cows of excellent conformation and finish.

These retailers favoured the one, two, three system of grading rather than a system of names as they believed it would be more effective from the standpoint of the public and result in less confusion. As was the case with the producers it is felt that the differences of opinion regarding grades is not a serious one and that one would be warranted in anticipating that any practical scheme of grades designed in the interests of the industry as a whole would receive a fair trial, and the support of retailers as a whole.

Country Killed and Non-inspected Beef

49. The committee was impressed with the large quantity of beef used in cities, towns and villages which is killed outside of the inspected packing plants. Exact figures are not available, however it is quite evident to anyone moving about among the retail trade, that the quantity thus killed looms large in relation to our total supply. This factor makes the problem of grading and branding beef more difficult, as it is obvious that no government sys-

²¹ Minutes W.B.C. 24.

²² Minutes E.B.C. 6.

tem could apply a brand for quality on meat which had not first passed a thorough sanitary inspection. Retailers in country points with whom the committee held meetings declared themselves in favour of a system of grading providing it could be worked out in such a way that it would not adversely affect the business of the butcher selling a good grade of locally killed beef. The matter of enforcing city and provincial ordinances governing the operation of local slaughtering and packing plants in a uniform and effective manner is a problem which concerns local health officials. In most such cases problems are involved which make adequate enforcement difficult. As a result such ordinances as are in effect do not afford the protection of the consumer or the community which they should. The importance of the public health can not be questioned and the value of uniformity in enforcement of adequate regulations needs serious consideration. A proper sanitary inspection must necessarily be a pre requisite of any government system of grading and branding meat. Stringent enforcement of uniform practical sanitary regulations should be urged by all dealers as much could be done to improve our meat industry in this respect if retail meat dealers would co-operate in developing an informed public opinion on the question.

THE CONSUMERS VIEWPOINT

50. Reference has already been made to the lack of knowledge amongst consumers regarding the quality of meat. The committee were interested in obtaining the viewpoint of as many consumers as possible and the bulk of the ideas as expressed have been obtained from individual consumers throughout the country. Three meetings were also arranged through one of the national organizations for women which afforded the committee an opportunity to more or less get the mass opinion. From the contacts which it was possible to make it would seem that the average consumer knows very little about meat, its quality, the various cuts or many of the important matters which must be taken into consideration when purchasing meat. This lack of consumer knowledge renders consumers peculiarly susceptible to unwitting purchase of meats and meat products of inferior quality. The better informed classes of consumers admit that they experience great difficulty in satisfying themselves or their families with their beef purchases and would welcome any system of grading or branding which would assist them in this respect. Occasionally the proviso was made that the meat should not cost any more because it was graded and branded. In studying this problem, the committee were not organized to make an extensive survey of consumers desires in relation to a policy of grading. However, there would seem to be sufficient evidence that of the three parties, the producer, distributor and consumer who are concerned with production and distribution problems, the consumer is the one wielding the strongest influence, not only because he consumes, but because of the effect of his preferences in the determination of production and distribution methods and practices. The importance of this demand is unquestioned. The reaction of the bulk of consumers to a policy of grading and branding is that it would provide them with some degree of assurance in regard to the quality of their purchases concerning which they admit frequent disappointment. Others with a broad vision of the industry as a whole and its needs claim that a grading and branding policy would afford a definite measure of consumer demand which would be of the highest importance to producers of beef and also to distributors of this product. They also claim that it would provide a definite basis on which a program of education, designed to eliminate some of the lack of consumer knowledge, could be based. It has been agreed by those closely in touch with the problems of distribution that edu-

cational campaigns under present conditions fail in accomplishment because of our inability to provide some simple, tangible basis for the permanent guidance and help of consumers.

THE PACKERS VIEWPOINT

51. From the outset the committee have appreciated the importance of the views held by this most important branch of the industry and no opportunity has been lost to check up with them the evidence secured in other quarters. From his position the packer looks upon the question of grading and branding from a little different standpoint than any other group associated with the industry. He not only has the consumer demand reflected to him through the retailers but he is also closely in touch with the general supply, its nature and quality. His demand is broader than that of the retailer as his clientele is more widespread and of necessity consists of many types with varied preferences. With this in his mind and coupled with his intimate knowledge of the cattle supply, its character and quality he is continually seeking to reconcile two sets of conditions so as to create the maximum in economic equilibrium. His viewpoint is, therefore, inclined to be more conservative and he is more skeptical of a solution for our difficulties through the application of a system of grading than are the members of any of the other groups.

Principle Approved

52. Packers as a whole state that they believe that the principle of the idea of grading and branding is sound, but in some of their minds the complicating factor is the relative scarcity of the quality of cattle that could get into the graded product.²³ There is an important difference in viewpoint regarding the principle, as between packers and some retailers and producers. The packers limit the principle of grading to one or two top grades of real good beef, while some of the retailers and producers believe that everything should be graded, claiming that it is just as important to identify the poorer qualities as the good. All packers consider that this would be too drastic and fear that the results to the industry as a whole would be damaging. In other words, they believe that to call a low grade product by its legitimate name would unduly discredit it in the eyes of the consumer and consumption would decrease. In this connection reference is made to the United States experiment in beef grading which was confined to the top grades. As this work has been in everyone's minds during the past year as the result of the publicity which it has received, it is not surprising that the development of thought in Canada on this question is in the main limited to a policy which dealt solely with the top grades.

The Question of Supply

53. It has already been pointed out that the packers as a whole believe that a grading policy should be limited to the top grades. At the same time, some of them believe that the biggest obstacle in the way of instituting some such system is the lack of a sufficient and regular supply of good cattle. Packing house receipts have been analyzed and show a scarcity of finished high grading carcasses. It has also been pointed out that for four months of the year the Toronto market will not receive any cattle which grade better than "good". The United States production, according to grade, is estimated at 0.5 per cent prime; 4 per cent choice; 22 per cent good; 53 per cent medium; 17 per cent common; and 3.5 per cent cutters and canners. The Canadian figures run considerably lower. It is agreed that the quantity of prime beef is negligible. That only 2 or 3 per cent will grade choice and that only 5 to 15 per cent depending on the season would fall in a good grade. In this con-

²³ Minutes—J.B.C. 16.

nection, it has been pointed out that most of our live cattle grading good or choice are being exported to the United States.²⁴ Packers point out that the great bulk of the cattle marketed in the fall months are grass finished cattle. Although these cattle present a fair appearance from the standpoint of finish, the packers are doubtful if the quality is sufficiently good to permit of branding these carcasses as a "good" grade or better. They point out that the consumer applies the ultimate test of quality when he eats the beef, consequently it is important that the grade as marked provides a reasonable guarantee of eating quality. In order to insure a practical working volume of beef of a quality which would grade good or better, we must have an expansion in grain feeding not only during the winter months, but as a supplement to summer pasturing. Producers representatives although admitting the small volume of grain finished cattle, express the opinion that if a system of grading and branding were announced, the producer would have more confidence in the business and would go ahead and increase his feeding operations with a view to getting his cattle into the grades which could be branded and for which a demand was being created amongst consumers.

The Packer on Grades, Grading and Branding

54. The packers, like the producers and retailers, are not all agreed on the question of grading and how it should be done. All, however, agreed that the policy should be confined to the top grades, commencing with "choice" and followed by a "good" grade of both steer and heifer beef. Some packers favoured separate grading for baby beef without any reference to sex.²⁵ The opinion was also expressed by some that one grade of good cow beef could be branded with advantage.²⁶ In regard to the grading some felt that a uniform standard of top grades, branded under Government supervision, would prove of more value to the industry as a whole than would a system of private brands put out by the packers.²⁷ Others opposed this view and were of the opinion that the packer could do the grading and branding better than the Government.²⁸

THE UNITED STATES EXPERIMENT IN BEEF GRADING

Organization

55. The beef grading experiment and demonstration began May 2, 1927, following an understanding reached at a conference composed of representatives from the National Live Stock and Meat Board, the Better Beef Association, Pure-Bred Cattle Association, Meat Packers, Retail Meat Dealers and the Department of Agriculture. At this conference, it was agreed that a grading experiment should be conducted under the marketing and distribution feature of the Agricultural Appropriation Act to demonstrate the practicability of Federal standards applied to commercial practice. As funds for this work were limited, it was agreed to limit the grading service to the following centers—Boston, New York, Philadelphia, Washington, Chicago, Kansas City, St. Joseph, Omaha, Sioux City and Topeka. Under this policy which was a voluntary one, no beef was to be graded or marked until there was a demand for it from the retailer who, in turn, would not request it until he had a specific demand from the consumer. It was the function of the Better Beef Association and the National Live Stock and Meat Board to stimulate the consumer demand.

²⁴ Minutes—J.B.C. 15.

²⁵ Minutes W.B.C. 26 and 28.

²⁶ Minutes W.B.C. 26.

²⁷ Minutes W.B.C. 27.

²⁸ Minutes W.B.C. 28.

What Government Officials Say re the Experiment

56. After the experiment was started many packers, retailers and some producers came to regard it as a legally authorized or established national service and numerous requests were received for the extension of the grading service to other markets, slaughtering centers and packing plants where there were no official grade supervisors. As the experiment became better known and understood and the quality idea became associated with the grade marked on the beef and as the practicability of grades and grading became more apparent, the demand for graded and marked beef increased gradually until about September 17, 1927. As a part of this experiment, it was the function of the Better Beef Association and the National Live Stock and Meat Board to stimulate the consumer demand. This they hesitated to do on an extensive scale because of the possibility of over-stimulating the demand beyond the possibility of the supply and especially beyond the ability of the Government to supervise. Up to November 26, the equivalent of 29,469 carcasses were graded, representing approximately 16,207,950 pounds. They believe that these figures, although small in relation to the total, indicates that the idea has taken hold of the industry and that the practicability of commercial grading according to official United States standards has been established. This apparently in spite of the fact that the sample was so small. Those who supported the system of Government grading and marking did so because of the possibility of uniformity and as a means of identification of quality as an aid to consumers and as an ultimate, material benefit to producers, by stimulating a stronger demand and better prices for better beef. In this it is claimed that they have not been disappointed as prices for well finished cattle have advanced materially during the period of the experiment when normally they have been steady to lower during the same period in other years. It is recognized of course that other economic factors such as supply and demand have contributed to this price movement at the same time they claim that there can be no question as to the influence contributed by the grading experiment which has had the effect of an "Eat More Better Beef" campaign. This has resulted in stiff competition in the cattle markets for grades and certain so-called small packers have been heavy buyers of this quality, often taking the market away from the larger packers.

The Mistake in the Experiment

57. Government officials state that the regrettable feature from their standpoint is that the grading was limited to choice and prime grades of steers and heifers. If all these could have been graded, it would have represented not more than 5 per cent of the total beef supply. The amount actually graded was a very small proportion of that. They feel that the test should have been made on a broader basis. A greater number of markets and grades should have been included. In fact all grades of carcasses that are ordinarily sold over the butcher's block should have been included in the experiment and demonstration. It would then have represented about 85 per cent of the dressed beef by volume. They claim further that if all grades had been included in the experiment, it would have been a complete demonstration of the practicability of the Federal grades in commercial practice. It would, in all probability, have established more firmly than the present test can, the fact that the consumer was entitled to and would be appreciative of a chance to buy beef on its merits. It would temporarily or during the period of the experiment have eliminated misrepresentation, substitution and many unethical and deceptive practices in the retail trade, because all carcasses would have been marked according to its grade.

CHICAGO PACKERS VIEWS ON BEEF GRADING EXPERIMENT²⁹

58. The Chicago packers interviewed by the committee were very definitely of the opinion that the beef grading experiment, as it was being carried on, had demonstrated that it would not work. For a time, the demand for these graded and stamped carcasses had increased but that since August there had been a decided falling off in this demand. Consequently, less beef was being graded and stamped than during the summer months. This falling off is due, they claim, to a lack of demand on the part of the retailer for this service. One packer was of the opinion that the supply of beef of top quality which could be graded and branded was too small and that, furthermore, this supply is somewhat seasonable. Consequently, there would be considerable difficulty in branding such qualities, as at certain times of the year there would not be a sufficient supply available to make it worth while.

The representatives of one firm expressed themselves as being in favour of the principle of beef grading and gave it as their opinion that the reason grading and branding of beef had not been started years ago, as was the case with hog products, was due to the fact that at certain seasons of the year a supply of beef of suitable quality was not available. Due to this variation in quality and supply throughout the year, it was impossible to maintain a uniform brand or grade and, that this condition more than any other one thing had prevented the development of a policy of branding beef. They went into this beef grading experiment for a year to see how it would work out although they had been exceedingly skeptical of its success from the outset, and as the work progressed their fears and doubts in connection with such a policy were fully realized.

They claimed that the Government had not maintained a uniform standard in their grading and that it was humanly impossible to do so. This statement is made in the light of their own experience in grading at several plants located at different points in the country. They insist that they have as good a staff of graders as can be brought together and that these are being continually shifted about from one plant to the other, yet in spite of this they cannot achieve better than 85 per cent uniformity in grade. They claim that it is impossible for the Government with 114 plants scattered throughout the United States to anywhere nearly approach their record which applies only to their own plants. They gave instances where Government graded beef on inspection revealed as much as a ten point variation in quality within one grade. This fact alone placed the trade in an impossible position when it came to tendering on order for Government graded and branded beef as the range in quality permitted of too wide a price range. They believe that the grading and branding of beef is a good idea but that the only way in which this can be done satisfactorily is to have each packer do it himself. In this connection, however, they admit that the branded grades should correspond to the general specifications for the various grades of beef as laid down by the Government. Briefly, they are convinced that the Government cannot grade or have beef graded uniformly, but that this must be done by each packing firm in accordance with certain general specifications and that each firm must take on itself the responsibility of featuring and advertising its own brands.

VIEWS OF THE "BETTER BEEF ASSOCIATION"

59. This association is made up of the heads of the three beef breed associations, Shorthorn, Hereford, and Angus. Their Directorate is a specially selected group of the most influential men in any way associated or interested in the industry. This organization took it upon themselves to foster and promote the production and consumption of better beef. The money which they

²⁹ Minutes J.B.C. 6 to 9.

collected from their associations and from the packers has been handed over to the National Live Stock and Meat Board for the purpose of conducting the advertising campaign which has been running during the past season. This organization has been following the development of the policy of grading and branding beef very carefully and they feel that it is their duty to make themselves a part of its development and progress and they insist that the policy be developed on a workable basis. It seems that since this experiment in beef grading was started, the Better Beef Association have had reason to change their minds in regard to the feasibility and practicability of Government grading. They have come to the conclusion that the idea will not work as planned and they have been seeking some practical plan which will permit of beef being graded and branded in accordance with its quality as they firmly believe in this principle as being necessary to the future development of the industry. They have decided that the present basis will be changed and it will be made possible for the packer to grade and put out beef under his private brands.

The Better Beef Association is going to request that the packers register one or two brands for beef with the Government, at the same time registering their specifications for these brands, which specifications must fall within a general description of that grade or class as laid down by the Government. The packer will then proceed to grade his own beef and brand it with his own private brands, having a top brand for "prime" and "choice" beef and a second brand for "good" beef. Being an interested party he will advertise and push his own brands. Having registered his specifications for these brands, any complaints regarding lack of quality therein can be investigated by the Government and, if it is found that he is not maintaining his brands according to specifications, the Government can take action under the regulation governing the misrepresentation of brands which comes under their Pure Food Act.

The Government will continue to grade and stamp United States grades of beef for smaller packers or those who do not wish to put up brands of their own and wish to remain under the Government grading policy. Thus they will have the two systems which will be practically the same in so far as standards are concerned, and they feel that in this way they will get a broader support for the policy of grading and that it will be more likely to amount to something in so far as producers and consumers of beef are concerned.

FINAL MEETING OF JOINT COMMITTEE, JANUARY 16, 1928.

60. This report summarizing the evidence collected by the committee is presented for their consideration at the meeting called for January 16, 1928.

L. C. McOUAT,
Secretary.

REPORT AND RECOMMENDATIONS OF JOINT BEEF COMMITTEE

The committee has had before it the secretary's report of the proceedings as carried on by both the Eastern and Western Beef Committees. This report is an accurate synopsis of the proceedings of the two committees and also of the Joint Committee. The committee wishes to call attention to the information contained in the secretary's report which is the basis for the report now being submitted.

In their study of the beef production and marketing situation in Canada, the committee has not lost sight of the value of an export trade, and its effect in stabilizing price levels, particularly for our best cattle. At the same time our domestic market, which absorbs 85 per cent of our total annual production, plays by far the most important role in absorbing our annual supplies of beef. Unfortunately, this fact does not seem to be widely appreciated and it would almost appear that this market is generally regarded as a gigantic clearing house for everything in the shape of near-beef for which there is no sale anywhere else.

These trashy cattle, lacking in breeding and carrying neither natural nor an acquired covering of flesh, are absorbed by our domestic trade. They not only replace an equivalent tonnage of good beef, but through their tough and unpalatable carcasses discourage demand for beef of all kinds. They often sell for more than they are properly worth from a beef standpoint and to that extent depress prices for good cattle.

The producer of good cattle of worth while beef quality feels that he does not get a price for his production in keeping with that paid for cattle of non-descript breeding of indifferent quality and finish. This is not encouraging a continued improvement in beef production, but has resulted in a slacking up of the effort on the part of producers to finish cattle properly for market.

There is everywhere agreement that it is in the best interests of the industry that the consumer should have a more intelligent idea of values and quality in beef. It has been stated that to do this an educational campaign is needed. Wholesalers, and many retailers as well, have expressed themselves as being in favour of and willing to co-operate in the carrying on of such a campaign. The idea is undoubtedly a splendid one, but a very difficult one to execute in a practical and useful manner. The difficulty is due to the nature of the product which makes it almost impossible to educate the consumer to recognize and identify quality. Individuals with considerable experience in beef find difficulty in satisfying themselves regarding the quality of the purchases made over the retail counter. How then is the average consumer going to be trained to do so. The general consensus of opinion is that—it cannot be done. This has led to a consideration of the possibility of grading and branding beef carcasses so that the stamp of quality is carried right through the trade to the ultimate consumer.

It has been pointed out that our domestic market is by far the biggest and most important market we have and it is right at our doors. It has a capacity which at present is being curtailed. It embodies an instinctive demand for real beef which is largely incapable of intelligent self-expression. It should provide continuous encouragement to the producer of good cattle, but it is functioning primarily as a clearing house or dumping ground. It stands in need of some machinery which will make it possible for consumers to exercise an intelligent discrimination as to quality and values.

Like most of our other problems this does not admit of easy solution. It is held by some that an expanding domestic demand for better beef at better prices can be developed only by general improvement in the quality and finish of the supply. Others contend that to stimulate further improvement in production it is first necessary to educate consumers to more intelligent appreciation of good beef and to devise means of assuring them that they will get the kind they are then prepared to demand and pay for.

After a full discussion of all the factors involved in dealing with the problem of beef grading on a most practical basis, it was agreed unanimously that the principle of grading and branding was a sound method of merchandising.

There are two main questions involved, the principle of grading and the feasibility of its application. Beef differs from nearly any other farm product in that no means have yet been devised whereby supplies can be stabilized by means of storage for any considerable length of time, so supplies of any quality or weight of beef that is to be branded must depend solely on the production and movement to the market, week after week with reasonable certainty, of a minimum quantity of that class of cattle.

Production conditions bear so great a part in a canvass of the possibilities of beef grading that they must be given careful study. Up to the present, production conditions have not been favourable to the development of high-class cattle suitable for the domestic market. The beef industry as a whole has scarcely conceived of our beef production in that light. We have considered natural conditions in Western Canada to be suitable for the production of heavy finished range cattle, or of feeder cattle, particularly heavy feeders. In the East our high-class grain fed cattle have largely been heavy cattle. A percentage of high cost milk fed baby beef has been produced for which there is a good demand, but which goes into the high-class trade. Thus our good quality cattle go either for export or into the limited high-class trade that exists in this country. Very little of really good quality beef gets into the trade that caters to the mass of our consumers. The possibility of being able to grow beef cattle of high quality and suitable weights at a low enough cost to be able to sell it in large quantities to the mass of consumers is a question of vital importance in this whole problem.

Our markets in the main call for light weights of beef. Much of this class on our markets is not very desirable but from an eating standpoint it is more desirable than a good deal of the medium weights. The question of how heavy a weight of carcass the domestic market would absorb if the market were fed steadily with fine quality without waste could only be determined by doing it. Probably the limits in weights as in other classes of meats would be determined by the minimum size of any particular cut that could be made from the carcass. With this must be considered the question of cost of production in relation to the price the consumer is willing to pay. It has been found that comparatively light weight pork and lamb is cheaper to produce than heavy pork and heavy mutton because of the younger age at which the animal is sold and the relative economy of production during the younger period of the animal. Is it possible the same may hold with beef and do our natural production conditions lend themselves to this kind of production? In any case the packers state that they will be greatly interested in helping to carry consumption into as heavy weights of cattle as possible because they prefer to handle the heavier classes.

It is always a nice question—how far into the different qualities of a product it is advisable to apply branding. In building up a demand for high quality products two objects must be kept in mind, the one to preserve from harm the present condition and to develop from that into better conditions. For example, it is conceivable that the production and marketing of a high quality of beef

might be forced by the simple method of marking all beef of anything but high quality as "poor" beef. But such a method would shock the industry to its foundations and might reduce the consumption of all beef to a level that would make recovery even with a high quality product very slow. Therefore, the principle that has been found to be sound is not to specifically discourage the consumption of any quality that is safe from a sanitary and health standpoint but to stress the qualities that under their brand or grade names will tend to increase consumption, and shift it to the branded qualities and by developing a liking for the article increase total consumption.

Two methods and a combination of the two have been suggested as a means of identifying the different qualities of beef. The one is by Government regulation to establish grades of beef and to have them applied or supervised by Government Inspectors. A second is for packers to agree to brand certain qualities as they see fit. The third is to establish by regulation grades of beef and that the packers should register brands for each grade to be branded and that the packers should apply the brands, taking responsibility with the Government that a brand should only be applied to the quality of beef that will fall within the grade the brand applies to. In connection with this method it is further suggested that the brands should have stated, in addition to the brand name, the quality of beef.

To sum up, the principle of grading and branding is not a new one and is generally believed in and practised under our modern system of merchandising. The limiting factor with regard to beef is steadiness and volume of supply.

For these reasons the recommendations of the committee are of necessity elemental. Any system of grading and branding beef cannot escape passing through experimental stages, in its process of evolution. After consideration of all the factors involved, it would appear to the committee that the following method of beginning a system of grading and branding beef would serve as a basis upon which to work:

1. That any firm or organization slaughtering beef under Dominion Government inspection may establish brands for beef that shall be applied to two qualities.

2. That a system of branding shall be adopted that shall adequately identify all the main cuts of the carcass as for example the system which has been adopted for this purpose in the United States.

3. That in order to give a common and uniform identification to similar qualities of beef, that all first brands shall be in one colour of ink and all second brands in another colour.

4. That official grades of beef shall be established by the Dominion Government. That these grades shall for the present be confined to two top qualities to be known as "choice" and "good."

5. That any person, firm or corporation electing to brand their beef shall register such brands with the Department at the same time registering specifications for such brands which specifications shall conform to the general specifications as laid down by the Department for that particular quality of beef.

NOTE—In this connection the committee recognizes that the method of properly protecting the brands and grading under the proposed system should be provided for.

6. The above recommendations represent a voluntary system of grading and branding under Government supervision and as such the committee again emphasizes the fact that the matter of supply is exceedingly important in a grading and branding system, and the question of when such a system should be started should receive very careful consideration.

